

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AGR-05 AID-05 COME-00 OMB-01 TRSE-00 OPIC-03 SIL-01

LAB-04 /083 W

----- 120804

P 151245Z AUG 75

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC PRIORITY 3229

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EO 11652: N/A

TAGS: PINT, CE

SUBJ: PM ISSUES ULTIMATUM ON NATIONALIZATION ISSUE

REF: A) COLOMBO 2522 B) COLOMBO 1435

1. SUMMARY: TENSIONS WITHIN UNITED FRONT (UF)  
COALITION INTENSIFIED SHARPLY AUG 14 AND MAY BE APPROACHING  
BREAKING POINT. PRIME MINISTER SIRIMAVO BANDARANAIKE SENT STRONGLY  
WORDED LETTER TO LANKA SAMA SAMAJ PARTY (LSSP) LEADER N.M.  
PERERA CALLING UPON HIM TO "IMMEDIATELY CEASE" HIS PUBLIC  
CRITICISM OF PM'S SRI LANKA FREEDOM PARTY (SLFP) AND TO  
STOP MISLEADING PEOPLE THAT PROGRESSIVE POLICIES IN SRI LANKA  
WERE ONLY OWING TO LSSP EFFORTS. SHE DEMANDED ASSURANCE ON  
MATTER "IMMEDIATELY" IF COALITION WERE TO CONTINUE. PM  
CONTRASTED UNFAVORABLY THE LSSP'S PUBLIC STATEMENTS AND  
PRIVATE ATTITUDES AND ARGUED THAT  
PROGRESSIVE ACCOMPLISHMENTS STEMMED FROM SLFP  
ACTIONS. SHE CITED PERERA'S MAY DAY  
CIA ACCUSATIONS (REFTEL B) AS EXAMPLE OF UNDOCUMENTED  
CHARGES WHICH PERERA CANNOT SUBSTANTIATE AND WHICH  
SHOULD BE STOPPED. FINALLY, SHE ASKED HIM TO HOLD  
IN ABEYANCE HIS PLANS TO ATTEND COMMONWEALTH FINANCE  
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MINISTERS' CONFERENCE AND IMF AND WORLD BANK MEETINGS.

PRESS REPORTS PM HAS ALSO RECALLED ARMY COMMANDER FROM CURRENT TRIP TO CHINA THEREBY ADDING TO TAUT ATMOSPHERE. OUTCOME OF COALITION INFLIGHTING UNCERTAIN BUT MAY BE RESOLVED IN NEXT FEW DAYS. END SUMMARY.

2. IN LONG AND STRONGLY WORDED LETTER SENT TO FINANCE MINISTER PERERA AUG 14 AND SIMULTANEOUSLY RELEASED TO PRESS, PM CALLED UPON HIM TO GIVE ASSURANCES THAT LSSP WOULD REFRAIN FROM FURTHER VITUPERATIVE ATTACKS ON ITS COLAITION PARTNER SUCH AS THOSE MADE IN MEETING AUG 12 (COLOMBO 2522). LETTER PROVIDES IN MINUTE DETAIL SUBSTANCE OF INTERNAL CABINET MEMORANDA AND INTRA-UF DISCUSSIONS ON NATIONALIZATION. LETTER STRONGLY DEFENDS SLFP VIEWPOINT AND PM'S DECISION TO BRING ESTATES UNDER MINISTRY OF AGRICULTURE AND LANDS, AND QUESTIONS LSSP'S EFFECTIVENESS OVER YEARS IN PROMOTING AND IMPLEMENTING "PROGRESSIVE POLICIES" THUS ATTEMPTING TO GIVE LSSP IDEOLOGICAL BLACK EYE. LETTER TOOK FORM OF ULTIMATUM WHEN PM SAID SHE MUST HAVE N.M.'S ASSURANCE ON MATTER "IMMEDIATELY IF WE ARE TO WORK TOGETHER AS A FRONT." SHE ENDED BY ASKING HIM TO HOLD IN ABEYANCE HIS PLANS TO ATTEND COMMONWEALTH FINANCE MINISTERS', IMF AND WORLD BANK MEETINGS.

3. DISPUTE OVER CONTROL OF ESTATES TO BE NATIONALIZED, CAUSE OF PRESENT CONTROVERSY, HAS NOW BEEN BROUGHT FULLY INTO OPEN. AS EVIDENCE OF TWO-FACED DEALINGS OF LSSP, PM ALSO REVEALED THAT LSSP MINISTER OF PLANTATION INDUSTRIES COLVIN DE SILVA HAD PRIVATELY RECOMMENDED TO HER RETENTION OF FEW OF MUCH-MALIGNED PRIVATE SECTOR AGENCY HOUSES TO MANAGE NATIONALIZED ESTATES, A PLAN FOR WHICH DE SILVA HAD ATTACKED SLFP TWO DAYS PREVIOUSLY (REFTEL A). SHE ALSO CRITICIZED PERERA FOR HIS REFUSAL TO BACK UP WITH DOCUMENTATION INNUENDOS ABOUT SECRET PACTS WITH S.W.R.D. BANDARANAIKE AT TIME OF 1956 ELECTION AND USED AS EXAMPLE OF TECHNIQUE HIS MAY DAY CLAIMS THAT HE HAD DOCUMENTARY EVIDENCE OF CIA INVOLVEMENTS LIMITED OFFICIAL USE

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AND FINANCIAL DEALINGS FOR WHICH SHE SAID HE HAD FAILED TO PROVIDE HER ANY DOCUMENTED EVIDENCE.

2.. ACCORDING TO PRESS, PRIME MINISTER HAS ORDERED ARMY COMMANDER, GENERAL ATTYGALLE TO RETURN IMMEDI-

ATELY FROM CURRENT CHINA TRIP. IT ALSO REPORTS THAT PERERA HAS CANCELLED TRIP TO COMMONWEALTH FINANCE MINISTERS'S CONFERENCE. LSSP POLITBURO HAS MET TO DECIDE ON REPLY TO PM'S LETTER WHICH IS BEING DRAFTED BY PLANTATIONS MINISTER COLVIN DE SILVA. REPLY REPORTEDLY WILL BE CONSIDERED BY LSSP CENTRAL COMMITTEE LATE AFTERNOON OR EVENING OF AUG 15.

5. COMMENT: GUT ISSUE OF WHO IS TO CONTROL NATIONALIZED ESTATES HAS NOW BEEN DECIDED AGAINST LSSP. IT IS ANY BODY'S GUESS AS TO WHETHER LSSP LEADERS' PRIDE WILL ALLOW THEM TO SWALLOW HUMILIATION CAUSED BY PM'S ULTIMATUM AND HER HOLD ON N.M.'S TRIP TO COMMONWEALTH FINANCE MINISTERS MEETING AND REMAIN IN GOVT, AS THEY PRESUMABLY WOULD STILL LIKE TO DO, LSSP DEPARTURE FROM COALITION WOULD BRING ABOUT MAJOR CHANGES IN GOVERNING POLITICAL STRUCTURE WHICH HAS HELD TOGETHER FOR FIVE YEARS. CONSEQUENTLY, TENSION IN COLOMBO IS HIGH AND TOWN IS RIFE WITH SPECULATION AS TO WHETHER TROTSKYISTS WILL STAY IN, WALK OUT, OR ULTIMATELY BE KICKED OUT.  
VAN HOLLEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, COALITION GOVERNMENT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** woolflhd  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975COLOMB02557  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750286-0968  
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**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 COLOMBO 2522, 75 COLOMBO 1435  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** woolflhd  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 AUG 2003 by ellisoob>; APPROVED <05 DEC 2003 by woolflhd>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PM ISSUES ULTIMATUM ON NATIONALIZATION ISSUE  
**TAGS:** PINT, CE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006